

WELCOME

65th Annual Meeting • Saturday, June 3, 2017

Denver Zoo

2300 Steele St, Denver, CO 80205



Agenda

- I. Call Business Meeting to Order
- II. Appoint Parliamentarian
- III. Ascertain that a Quorum is Present
- IV. Reading and Approval of Minutes from
Previous Annual Meeting Dated May 14, 2016
- V. Reports
 - i. Chairman's Report
 - ii. President's Report
 - ii. Supervisory Committee Report
 - iii. Treasurer's Report
- VI. Unfinished Business
- VII. Call for New Business
- VIII. Elections
- IX. Adjournment of Business Meeting





2016 ANNUAL MEETING MINUTES



Welcome

Chairman LC Williams welcomed the attendees of the 64th Annual Meeting of Space Age Federal Credit Union.

Convened

Space Age Federal Credit Union's 64th Annual Meeting was held at the White Fence Farm, Lakewood, Colorado on Saturday, May 14, 2016. In accordance with Article 5 of the Bylaws, the Business Meeting was called to order by Chairman Williams at 1:20 p.m.

Appointment of Parliamentarian

Chairman Williams appointed Mr. Bob Wilson as Parliamentarian for the Annual Meeting.

Ascertainment of Quorum

Chairman Williams stated that with the outstanding attendance, a quorum was present.

Approval of Annual Meeting Minutes, May 9, 2015

A motion was made to dispense with the reading of the minutes and to approve them as presented. The motion was seconded and carried.

Reports

Chairman Williams thanked all of those in attendance for Space Age's 64th Annual Meeting. He then recognized the Board of Directors and Supervisory Committee members present. He also recognized all of the staff that were present. He then stated the importance of having so many members gather at Space Age's annual meeting which truly differentiates the difference between credit unions and banks. He then stated that Space Age has been very busy the past year in completing a myriad of projects including logo change, branch relocation, headquarters relocation, online banking and other important projects aimed to serve our members at a higher level. He then introduced John Uchida, President of Space Age Federal Credit Union. Mr. Uchida thanked Chairman Williams for the introduction and welcomed the members to the 64th annual meeting. He stated that in looking around the room, he believes that there are at least four generations of members at this important event. He reiterated the importance of the Board of Directors and Supervisory Committee, and thanked them for their vision and vast amount of time spent in leading the credit union. He then recognized the staff one more time and said the reason the credit union is so successful is because of the people that serve the members. He said the credit union attained its highest asset level in its history at \$113.3 million while serving almost 15,000 members. He then overviewed some of the projects that the credit union had undertaken, including the online banking transition which happened at the beginning of May 2016. He briefed the attendees on the reasons for switching and thanked them for their patience. He also stated that staff would be available at the end of the meeting to assist any members

with questions or challenges. The President then recognized those people present at the annual meeting which included 1st Mortgages and Auto Trek. He closed by thanking the members for their attendance and trust in Space Age. Chairman Williams thanked John Uchida for his report. He then said the Supervisory Committee Report and Treasurer's Report are located within the annual report for review. After which, a motion was made and seconded to accept all the reports as presented.

Unfinished Business

Chairman Williams stated that the agenda contained no unfinished business.

New Business

Chairman Williams called to the membership for any new business. There was none.

Election Results

Chairman Williams stated that Ann Franklin and Rick Koebert submitted their names to the Secretary for recommendation and they were each elected for a 3-year term. He then stated that Tarro McCray was appointed as an Associate Director for a 3-year term.

Adjournment

There being no further business, the meeting was adjourned at 1:50 p.m.

Respectfully Submitted

LC Williams
Board Chairman

Ann Franklin
Secretary

2016 CHAIRMAN AND PRESIDENT'S REPORT



Welcome

Welcome to Space Age Federal Credit Union's 65th Annual Meeting. We are pleased to be able to present to you the highlights from 2016 and also share our vision of the future. From our roots when the credit union started back in 1952 to now, our mission has been to provide world class products and services by a team of outstanding professionals. We continue to work hard to earn your trust and keep your membership.

2016 Highlights

Financial

We are pleased to report that in 2016, Space Age's assets ended at \$114.8 million, net worth ended at 8.37%, delinquent loans at .89% and charge offs at .34%. Once again, our financial position was verified by both our CPA auditors Petersen & Associates and the National Credit Union Administration. We are excited to report that Space Age Federal Credit Union once again received an unmodified or clean audit opinion which attests to the financial stability of the credit union.

New Headquarters and Branch

In the beginning of 2016, Space Age undertook the opportunity to move our branch and headquarters to a new location at the Marketplace. We listened to our members and designed the branch so there is more privacy within the offices when dealing with your financial matters. In addition, we believe the Marketplace has great access and visibility for our credit union. Along with these efforts, Space Age also changed its infrastructure on its network so that it has redundancy in the event of damage or power loss.

New Online Banking

We are also pleased to report in 2016, Space Age successfully converted our online banking program to another platform. This new platform allows greater versatility and ability for our members to utilize and access information about their accounts. It also opened up a new channel to deposit checks via a cell phone or tablet. Since this change, Space Age has now attained a record number of members signing up for online banking and also logging in regularly during the month from either their computers or mobile devices. Other features are planned and will be added in the future. Space Age also updated our website so that information is easier to access. Members have been pleased with the changes.

Community Focused

In 2016, Space Age continued to be active with many of our community partners and we participated in many events at Lowry Elementary, Interior Business Center, Rocky Mountain Road Runners, Vanguard School, Children's Miracle Network, and the AFAFC/DFAS Retirees Organization.



Thanks to Volunteers and Staff

We'd like to take this opportunity to thank our Board of Directors who volunteer their time and expertise to assist Space Age in being a successful financial institution. Their vision and knowledge assists the credit union on a daily basis. We'd like to recognize the Supervisory Committee for their excellent participation in ensuring the credit union's balance sheet and member concerns are handled appropriately. We'd also like to thank our staff for providing the outstanding service to our members. In fact, in 2016, Space Age achieved a 91% member satisfaction rating. This number was attained not through mail ballots but by actually calling the members shortly after their interaction with our staff and asking how they were served.

Welcome Jeffco Credit Union Members

Beginning January 1, 2017, Space Age is pleased to announce that we have partnered with Jeffco Federal Credit Union in Golden, CO. Jeffco FCU brings a dynamic membership and location to Space Age. We'd like to recognize Janis Vondra, President of Jeffco FCU, for her outstanding leadership and work in her tenure at the credit union. This partnership also gives Space Age another branch location on the west side of the metroplex. During 2017, we will be working extremely hard to convert all of Jeffco FCU's systems to Space Age to enable them to have the same access to all of the products and services we offer.

Thank You

In closing, we would like to thank you, our members, for supporting our credit union. For it is you that makes our credit union great and we appreciate the opportunity to serve you. We also do not take the trust that you put upon us for granted as we know you have a multitude of choices every day of where you can conduct your financial services. We will remain focused and diligent on ensuring that Space Age Federal Credit Union continues to provide exceptional service to you and your family for generations to come. We appreciate you!

Thank you,

LC Williams
Chairman

John R. Uchida
President



Did you know?

Adult giraffes only need 30 minutes of sleep in a 24-hour time period.



2016 SUPERVISORY COMMITTEE REPORT

Terrie Smigiel

On behalf of the Supervisory Committee, we would like to thank you for your years of continued patronage to Space Age. The Supervisory Committee is here to serve as your personal advocate, determined to provide you with the highest quality of member service. We independently evaluate the strength and soundness of Space Age's operations and activities, and we are proud to offer you a safe and sound environment to conduct your financial business.

With the support of the Board of Directors and independent auditors, the Supervisory Committee ensures that the Credit Union's assets are safeguarded by upholding procedures that comply with the Generally Accepted Accounting Principles. The Committee is also responsible for ensuring that Space Age's audited financial statements provide a fair and accurate representation of the financial condition of the Credit Union.

2016 Independent Audits

Our independent auditors, the public accounting firm of Petersen & Associates, Certified Public Accountants, conducted a comprehensive opinion audit of Space Age's financial statements for the period ending on September 30, 2016 and the related statements of income, changes in retained earnings, and cash flow for the year. They returned a detailed report to the Board of Directors, which confirmed that the Credit

Union's financial statements fairly represent the financial position of Space Age and conform to the Generally Accepted Accounting Principles.

In addition to our independent auditors, Space Age retained the Cornerstone Credit Union League Resources Department, CU Resources, to perform internal reviews throughout the year. These are ongoing reviews to ensure that the Credit Union's policies and procedures are being followed and quality internal controls are in place. After each review, CU Resources provided a detailed report to the Supervisory Committee, the Board of Directors, and the Senior Management Team.

The National Credit Union Administration (NCUA), which is the regulatory agency for all federally-chartered credit unions nationwide, also performs annual supervisory examinations. The last examination performed was as of June 30, 2016. Based on this examination, they provided a report confirming that Space Age is prudently managed and is a financially sound institution.

2016 Opinion

Based on the results of the opinion audit, the internal reviews, and the NCUA supervisory examination, as well as the internal control work that the Committee performs on a regular basis, it is the opinion of the Supervisory Committee that Space Age Federal Credit Union continues to be financially strong and well-managed, with sound policies and programs. Space Age Federal Credit Union is in compliance with the Credit Union's bylaws and applicable federal laws and regulations.

Thank you again for your trust and confidence in Space Age Federal Credit Union. We look



2016 TREASURER'S REPORT

Carl S. Miller



First and foremost, thank you for your continued trust and belief in Space Age Federal Credit Union. Your loyalty is vital to the Credit Union's continued growth and success. We recognize that you have many options when it comes to banking, and we are honored that you have chosen Space Age as your primary financial institution.

2016 Financial Review

We are pleased to report that Space Age Federal Credit Union continues to remain a safe and sound financial institution. Total assets exceeded \$114 million for 2016. Because of strong member relationships, increased operational efficiencies, and a strong net worth, Space Age continued to strengthen reserves while providing the innovative products and services our members needed and wanted.

Space Age ended the year with a net income of \$153,719 which further helped to strengthen the Credit Union's retained capital and overall financial position. Space Age's delinquent loan ratio ended the year at 0.89%.

In 2016, net worth remained strong, ending the year at 8.37%. Net worth is a key measure of financial safety and soundness for credit unions, and a ratio of 7.00% or higher identifies a credit union as well-capitalized. The Credit Union's solid net worth ratio was due to strong earnings on the loan portfolio, and a strong asset liability management program.

With interest rates remaining at historically low levels, gross income still exceeded \$5.7 million. Our independent auditors, Petersen & Associates, Certified Public Accountants, also issued another "unqualified" or clean audit opinion of Space Age in 2016. The National Credit Union Administration reviewed our financial condition and found it sound as well.

Looking to 2017

The Space Age Board of Directors and Management Team remain optimistic as we continue to take on future challenges and opportunities. In 2017, Space Age will continue to implement and improve upon ways to meet the needs of our members, while staying focused on growing net worth and improving overall operational efficiencies. This will allow us to continue to strengthen our solid foundation and ensure we are here for our members for years to come.

We thank you, our member-owners, for your unwavering support of Space Age Federal Credit Union. Please do not hesitate to let us know how we can better meet your saving and borrowing needs.

Carl S. Miller
Treasurer

Did you know?

*A male lion's roar can be
heard 5 miles away.*





2016 FINANCIAL REPORT

Balance Sheet (Unaudited)

Assets	December 31, 2016
Loans to Members.....	\$84,911,853
Less: Allowance for Loan Losses.....	(\$328,851)
Cash.....	\$406,399
Investments.....	\$24,855,830
Accrued Income Receivable.....	\$337,101
Other Receivables.....	\$273,082
Prepaid Expenses.....	\$201,275
NCUA Insurance Fund Deposit.....	\$983,370
Furniture and Equipment (Net of Depreciation).....	\$1,637,134
Leasehold Improvements (Net).....	\$817,416
Other Assets.....	\$724,979
Total Assets.....	\$114,819,588

Liabilities and Members' Equity

Liabilities

Payables and Other Liabilities.....	\$423,988
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Members' Equity

Share Accounts.....	\$38,330,223
Share Draft Accounts.....	\$21,238,605
Holiday Club Accounts.....	\$127,227
Share Certificate and IRA Accounts.....	\$24,033,770
Money Market Accounts.....	\$21,055,694
Undivided Earnings.....	\$7,915,313
Regular Reserve.....	\$1,694,768
Total Liabilities and Members' Equity.....	\$114,819,588

The accompanying notes are an integral part of these financial statements.

2016 FINANCIAL REPORT

Statement of Income and Changes in Undivided Earnings (Unaudited)

Income for the Year End

December 31, 2016

Income

Interest on Loans.....	\$4,399,990
Interest on Investments.....	\$92,826
Miscellaneous Operating Income.....	\$1,255,780

Total Income.....\$5,748,596

Expenses

Employee Compensation.....	\$2,048,516
Employee Benefits.....	\$704,516
Travel and Conferences.....	\$52,025
Association Dues.....	\$30,017
Office Occupancy.....	\$197,528
Office Operations.....	\$901,992
Education and Promotion.....	\$153,424
Loan Servicing.....	\$218,030
Professional and Outside Services.....	\$647,923
Share Insurance.....	\$0
Members' Insurance.....	\$0
Federal Supervision Fees.....	\$20,628
Annual Meeting Expense.....	\$10,200
Miscellaneous Operating Expense.....	\$133,597

Total Operating Expenses.....\$5,118,396

Provision for Loan Losses.....	\$262,000
Other Loss (Gain).....	(\$20,962)

Income (Loss) from Operations.....\$389,162

Dividends Paid to Members.....	\$235,443
Interest on Borrowed Funds.....	\$0

Net Income (Loss).....\$153,719

Changes in Undivided Earnings

Balance January 1, 2016.....	\$7,761,594
Net Income (Loss).....	\$153,719

Balance December 31, 2016.....\$7,915,313

The accompanying notes are an integral part of these financial statements.





2016 FINANCIAL REPORT



Note 1. Summary of Significant Accounting Policies

Loans to Members and Allowance for Loan Losses

Loans are stated at the amount of unpaid principal, reduced by an allowance for loan losses. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. The allowance for loan losses is established through a provision for loan losses charged to expenses. Loans are charged against the allowance for loan losses when Management and the Board believe that the collectability of the principal is unlikely. The allowance is an amount that Management believes will be adequate to absorb possible losses on existing loans that may become uncollectible, based on the pooling method of evaluation that utilizes a 24-month rolling average of specific loan pools and losses associated with each pool. The accrual of interest on loans is discontinued when payments become two months delinquent.

Investments

Investments are stated at cost, adjusted for amortization of premiums and accretion of discounts, which are recognized as adjustments to interest income on investments. Gains and losses on disposition are based on the net proceeds and the adjusted carrying amount of the investments sold, using the specific identification method. The majority of investments are in United States Treasury Bills and certificates of deposit at federally-insured financial institutions.

Furniture and Equipment

Furniture and equipment are stated at cost, less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Dividends

Dividends to members on various types of share accounts are paid at various rates and are shown as a reduction to net income. Dividend rates are set by the Board of Directors and the Asset Liability Committee, based on an evaluation of current and future market conditions and available earnings.

Note 2. Income Taxes

The Credit Union is exempt from Federal taxes under the provisions of the Federal Credit Union Act.

Note 3. Pension Plan

The Credit Union has a 401(k) retirement plan which covers all eligible employees. The Credit Union funds pension costs on a current basis.

Note 4. Share Insurance

The National Credit Union Administration (NCUA) insures Credit Union accounts up to \$250,000. Certain retirement accounts are separately insured up to \$250,000. The NCUA Share Insurance Fund requires the Credit Union to maintain a deposit with NCUA.

Note 5. Lease

The Credit Union is committed to a lease on the main office building and branch in Aurora, Colorado. The lease expires on September 30, 2026. The lease is appropriately accounted for as an operating lease.

Note 6. Line of Credit

The Credit Union has a \$7,800,000 line of credit agreement with Corporate America Credit Union. No borrowings were outstanding at December 31, 2016.

Note 7. Loans to Members

The composition of loans to members is as follows:

YEAR ENDED DECEMBER 31, 2016

Automobile.....	\$68,329,803
Mortgage.....	\$9,525,703
Unsecured.....	\$6,939,063
Share and Certificate Secured.....	\$117,284
Total Loans.....	\$84,911,853
Less: Allowance for Loan Losses.....	(\$328,851)
Net Loans.....	\$84,583,002

A Summary of Changes in the Allowance for Loan Losses is as follows:

YEAR ENDED DECEMBER 31, 2016

Balance: Beginning of Year.....	\$369,912
Provision Charged to Operations.....	\$262,000
Loans Charged Off.....	(\$439,935)
Recoveries.....	\$136,874
Balance: End of Year.....	\$328,851

2016 BOARD OF DIRECTORS



LC WILLIAMS

*Chairman
16 Years of Service*



JASON WHITE

*Vice Chairman
7 Years of Service*



ANN FRANKLIN

*Secretary
12 Years of Service*



CARL S. MILLER

*Treasurer
15 Years of Service*



TOM WITTMAN

*Assistant Secretary
22 Years of Service*



DEBORAH LOS

*Assistant Treasurer
16 Years of Service*



RICHARD KOEBERT

Director
25 Years of Service



SAMUEL DOUTRICH III

Director
10 Years of Service



SAM SEARCY

Director
5 Years of Service



TARRO A. MCCRAY

Associate Director
3 Years of Service



ROXANE NOWLING

Associate Director
1 Year of Service

2016 SUPERVISORY COMMITTEE



TERRIE SMIGIEL

*Chairman
9 Years of Service*



LOIS TILLEY

*Committee Member
6 Years of Service*



RICHARD SALL

*Committee Member
4 Years of Service*



MICHAEL SMIGIEL

*Committee Member
5 Years of Service*



GORDON CARRUTH

*Committee Member
1 Year of Service*

Did you know?

*A zebra's stripes are as unique as a human
finger print—no two are identical.*



THANK YOU TO THE FOLLOWING SPACE AGE PARTNERS



Thunder Mountain Harley Davidson

Thunder Mountain Harley Davidson is a family-owned business, who has also been a long-standing Space Age partner since 2008. Thunder Mountain Harley-Davidson is Colorado's largest Harley-Davidson dealership, with more than 100 new and used motorcycles available every day!



Fay Myers Motorcycle World

Fay Myers Motorcycle World is one of the oldest and largest motorcycle dealerships in America.

Like many family businesses, this one was founded by its namesake, Fay Myers, in 1948.

Fay Myers is dedicated to taking care of you and providing you with the best possible pricing and service for all your motorcycle needs.



Todd Dussex – LPL Financial

As Space Age's in-house financial planner, Todd Dussex offers financial advice and products to our members based on your investment objectives, not on selling company-owned investment products.

Todd is ready to work with you and create a financial portfolio to help you reach your goals and dreams. Whether it's investment products, insurance planning, asset management accounts, retirement planning, 401k rollovers, or annuities, Todd is at Space Age to help you, our member.



1st Mortgages

Always thinking of you first, 1st Mortgages offers an array of first mortgage loan products to fit your unique needs. Whether it's a loan for the first time buyer, a loan used to refinance to a lower rate, or a reverse mortgage, 1st mortgages is dedicated to finding a solution that is right for you.

THANK YOU TO THE FOLLOWING SPACE AGE PARTNERS



CUNA Mutual Group and TruStage

CUNA Mutual Group is a leading provider of financial services to cooperatives, credit unions, and our members. TruStage is a program offered through CUNA Mutual Group, which provides our members discounts on insurance products they use most, including home, auto and life - just because they are credit union members. True to the credit union mission, TruStage is committed to empowering credit union members to protect the achievements and aspirations of the people who matter most in their lives.



Steele's Cycles

Steele's Cycle was established in 1986 and is family-owned and operated. More than 28 years later, Steele's Cycle has grown to be the largest used parts and used motorcycle dealer in Colorado with over 4,000 bikes on-site for used parts, 15,000 used parts listed on their Ebay Store and 80 plus used bikes for sale in their remodeled showroom.



Auto Trek

Guiding members along their automotive journeys, AutoTrek has been serving Space Age members for more than a decade. Whether you are looking for a new or used vehicle, AutoTrek can locate it for you and ensure that you purchase the vehicle for the best possible price.



THE HUGHES LAW FIRM
A PROFESSIONAL CORPORATION
1974

The Hughes Law Firm

The Hughes Law Firm has been helping credit union members in Denver since 1974. With over 100 years of combined legal experience in areas such as Estate Planning, Crisis Medicaid, Nursing Homes and Assisted Living Facilities, Probate, and Wills and Trusts, the Hughes Law Firm provides the information and expertise you need to ensure that your family gets the care they deserve while legally protecting their assets. The Hughes Law Firm is a long-time partner of Space Age and is here to assist you via informational seminars and free initial consultations on-site at the credit union.

THANK YOU TO THE FOLLOWING SPACE AGE PARTNERS



Co-op Financial Services

While a partner and provider of many credit union products and services, Co-op Financial Services is often recognized because of its extensive shared branching network. Through the shared branching network, Space Age members, as well as credit union members at participating credit unions, can enjoy making basic banking transactions at over 5,000 locations nationwide – just as if they were at their home credit union. Simply look for the shared branching logo.



Jwaala

As the builder of Space Age's internet banking platform and mobile application, Jwaala has opened the door to a new way of digital banking. Through its internet banking product, Space Age is able to offer our members new and exciting features such as enhanced bill pay, remote check deposit and the ability to skip their loan payment online. Plus, in late 2017, members can look forward to the ability to freeze their credit and debit card should it go missing from within the Space Age mobile app.



Green Path Financial

GreenPath is a non-profit company that equips people with knowledge and tools to lead financially healthy lives. They can partner with you to ease financial stress, manage debt, plan for saving for the future, and assist you with making informed financial decisions so you can achieve your goals.